INCOMING TELEGRAM

Department of State

20023 43-41 Control: Action AUGUST 24, 1963 Rec'd: FE 12:37 AM SAIGON FROM: Info SS TO: Secretary of Sta G 316, AUGUST 24, 10 NO: SP INR CKEREURD LEE ONLY PRIORITY RMR LIMIT DISTRIBUTION

> KATTENBURG HAD HOUR'S CONVERSATION AFTERNOON AUG 23 WITH OLD FRIEND VO VAN HAI, CHIEF OF DIEM'S PRIVATE CABINET, WHO OVER YEARS HAS BEEN LOYAL AND DEVOTED PERSONAL SERVANT

AND STAFF CHIEF OF PRESIDENT. ESSENTIAL PROTECT SOURCE AS. HAI CONSIDERS LIFE IN DANGER AND SAYS HE CONSTANTLY WATCHED

BY NHUS.

FOR HILSMAN

HAI SAYS ENTIRE AFFAIR FULLY AND CAREFULLY STAGED-MANAGED BY NHU. LATTER NEVER FOR A SECOND BELIEVED IN POLICY OF CONCILIATION AND HIMSELF PROMOTED WIFE'S STATEMENTS AND SPEECHES PAST MONTH. WOULD BE WORST ERROR BELIEVE MME NHU ANY SENSE INDEPENDENT OR DOMINANT OVER HUSBAND, REVERSE IS CASE. NHU HAS BEEN LYING "EFFRONTEMENT" TO AMERICANS WITH WHOM HE HAS SPOKEN, AS HE HAS ALWAYS BEEN LYING "TO ALL OF US." (COMMENT: PREJUDICE OF SOURCE THIS SCORE CANNOT BE DISCOUNTED. HAI HAS BEEN TRYING TO COUNTER NHU'S GROWING INFLUENCE OVER DIEM FOR YEARS.) .

ACCORDING HAI, NHU DECIDED CONFRONT US WITH FAIT ACCOMPLI ON LODGE'S ARRIVAL, MAY ALSO HAVE GOTTEN WIND DIEM NOTION SPUR FOREIGN INVITATION MME NHU LEAVE COUNTRY. ON AFTERNOON OF DAY BEFORE ACTION (MONDAY), INHU, HAD MEETING WITH FOUR OR FIVE GENERALS, AMONG WHOM ONLY ONES WHOSE PRESENCE HAI KNEW FOR CERTAIN WERE DON, WHIEM, DINH, LATTER ASSISTED NHU IN SCHEME BRING OTHER GENERALS

SECRET

-2- 316, AUGUST 24, 10 AM, FROM SAIGON

GENERALS TO MEETING WITH PRESIDENT FEW HOURS BEFORE ACTION.

DIEM ACQUIESCED PROPOSED MOVE OF GENERALS AND NHU WITHOUT

DIFFICULTY, DESPITE FACT THAT AT LEAST UNTIL LAST TWO WEEKS

DIEM GENUINELY BELIEVED IN POLICY OF CONCILIATION. THIS NOT SURPRISING, ACCORDING HAI, BECAUSE NHU HAS COMPLETELY DOMINATED PRESIDENT PAST TWO YEARS.

HAI PERSONALLY BELIEVES ACTION IS WORST THAT COULD HAVE BEEN TAKEN, IS ALREADY LEADING TO RESIGNATIONS BEST MEN LEFT AROUND PRESIDENT, AND HAS LED OTHERS DECLARE PRIVATELY (PERHAPS ONLY IN INITIAL REACTION OF DESPAIR) THAT NOW MIGHT AS WELL THROW LOT IN WITH VIET CONG. HAI DOES NOT BELIEVE POPULATION IN GENERAL WILL ATTEMPT STAGE ACTIVE DEMONSTRATIONS, EXCEPT PERHAPS FOR STUDENTS. BUT HE FEARS REACTION IN LONGER RUN WILL BE PROGRESSIVE DENIAL SUPPORT AND COOPERATION TO GOVERN-MENT AND ARMED FORCES ON PART OF PEOPLE. AS FOR FORCES, THEY WILL, HAITS OPINION, REMAIN LOYAL AS LONG AS PRESENT NHU SYSTEM FAVORITISM AND PRIVILEGE CONTINUES. IF NHU REMOVED, HOWEVER, HAI BELIEVES SITUATION COULD STILL BE RESCUED AND BEST SOLUTION REMAINS DIEM SURROUNDED BY NEW AND BETTER ADVISORS. HAI VOLUNTEER-ED HE WOULD NOT GUARANTEE THAT IF NHU REMOVED FROM SCENE DIEM WOULD NOT SEEK RETIREMENT IN MONASTERY, YET THOUGHT IT MORE LIKELY DIEM WOULD SEEK RETAIN POWER. IN SUCH SITUATION, HAI SAID, VICE PRESIDENT THO SHOULD BECOME MAIN ADVISOR, PLAY LEADING ACTIVE ROLE. THO RETAINS STRONG BASE POPULAR SUPPORT AND COULD ACT FIRMLY AND DECISIVELY WITH SUPPORT OF ARMY UNDER LEADERSHIP GENERAL MINH IF NHU OUT OF WAY.

HAI REPEATED HE THOUGHT NGO FAMILY SYSTEM OF CONTROL THROUGH FAVORITISM IN ARMY WOULD FALL APART RAPIDLY WITH NHU'S REMOVAL AND THAT GENERALS WOULD MOVE AGAINST NHU IF GIVEN' WORD TO DO SO ("IT WOULD NOT BE DIFFICULT").

HAI FURTHER SUGGESTED APPROPRIATE U.S. OFFICIALS TALK SOONEST TO EX-FONMIN MAU, WHO HE INDICATED MIGHT SHORTLY GO ABROAD ON PRIVATE LEAVE AND COULD BEST BE CONTACTED OUTSIDE.

HAI MADE

. SECRET.

SECRET

-3- 316, AUGUST 24, 10 AM, FROM SAIGON

HAI MADE REMARKS ABOUT RESCUING DIEM WHEN NHU'S OUT OF PICTURE WITHOUT MUCH SENSE OF CONVICTION, AND MAY WELL FEEL IT ALREADY TOO LATE EVEN FOR THAT. IN FACT HE STATED THAT HIS DREAM OF SUCCESSFUL DIEM REGIME, WHICH HAD SEEMED SO PROMISING IN LATE FIFTIES, WAS NOW FURTHER THAN EVER FROM REALIZATION.

GP-2.

LODGE

CJ/21

NOTE: (RELAYED WHITE HOUSE PER SS-0 8/24/63

SECRET